

State of California

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Legislative Change No.

01-19

Bill Number: AB 402

Author: Papan

Chapter Number: 01-455

Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 18836, 18837, 18838, 18839, 18840

Date Filed with the Secretary of the State: October 3, 2001

SUBJECT: Lupus Foundation of America, California Chapters Fund

Assembly Bill 402 (Papan), as enacted on October 3, 2001, made the following changes to California law:

Article 12.5 (consisting of Sections 18836 to 18840) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code is added.

Section 18836 of the Revenue and Taxation Code is added.

This act allows an individual to designate on the tax return a voluntary contribution to the Lupus Foundation of America, California Chapters Fund. The designations must be made in full dollar amounts and may be made individually by each signatory on a joint return. A taxpayer's return will be treated as if no designation has been made if payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability. If no designee is specified, the contribution will be transferred to the General Fund after reimbursement of direct actual costs of the Franchise Tax Board (FTB) for the collection and administration of the moneys. If the individual designates a contribution to more than one account or fund and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis. This act requires the FTB to revise the personal income tax return to include a designation space for the fund. This act specifies that this fund not be added to the tax return until another voluntary contribution designation is removed. A deduction will be allowed for any contribution made under this act.

Section 18837 of the Revenue and Taxation Code is added.

This act establishes the Lupus Foundation of America, California Chapters Fund in the State Treasury. The FTB must notify the Controller of both the amount of money paid by taxpayers in excess of their liability and the amount of refund money that the taxpayers have designated to the fund. The Controller must transfer from the Personal Income Tax Fund to the Lupus Foundation of America, California Chapters Fund an amount not to exceed the total amount designated on the tax return by individuals.

Bureau Director

Jana Howard for BP

Date

November 11, 2001

Section 18838 of the Revenue and Taxation Code is added.

This act requires that, upon appropriation by the Legislature, all money transferred to the Lupus Foundation of America, California Chapters Fund be allocated to:

- 1) the FTB and the Controller for reimbursement of costs relating to this fund; and
- 2) the Department of Health Services for allocation on an equal basis to all California-based operating chapters of the Lupus Foundation of America.

The moneys allocated to the Lupus Foundation of America, California Chapters, must be used for education and awareness, and to provide research grants to develop and advance the understanding, causes, techniques, and modalities effective in the prevention, care, treatment, and cure of lupus.

Section 18839 of the Revenue and Taxation Code is added.

This act specifies it is the Legislature's intent that an additional funding source is created for lupus education, awareness, and research, and that these funds are used to supplement, not supplant, other funding sources.

Section 18840 of the Revenue and Taxation Code is added.

This act provides a repeal date of January 1, of the fifth taxable year following the first appearance of the Lupus Foundation of America, California Chapters Fund on the tax return.

For taxable years beginning in any calendar year after the second taxable year the Lupus Foundation of America, California Chapters Fund is on the income tax return, this act requires the Lupus Foundation of America, California Chapters Fund to meet a \$250,000 minimum contribution requirement. For taxable years beginning in the third taxable year and thereafter, the FTB must adjust the minimum contribution amount for inflation based on the California Consumer Price Index received by the FTB annually by August 1.

This act is effective for tax returns beginning with the 2001 tax return filed on or after January 1, 2002.

This act will not require any reports by the department to the Legislature.